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RUSSIAN MAN PLEADS GUILTY TO PARTICIPATING IN IDENTITY THEFT AND FRAUD RING

SACRAMENTO--United States Attorney McGregor W. Scott announced today that ROMAN KARELOV, 19, of Baltimore, Maryland, pleaded guilty today before United States District Judge William B. Shubb in Sacramento to conspiracy to transport goods obtained by fraud, in connection with his participation in a scheme to defraud businesses in the United States by purchasing items with stolen identity information and sending the goods to confederates in Russia. KARELOV is the second Russian citizen convicted in the case.

The case is being investigated by the Federal Bureau of Investigation and the Davis Police Department, with the assistance of the United States Secret Service, the United States Postal Inspection Service, the United States Immigration and Customs Enforcement, and other agencies.

According to Assistant United States Attorney Benjamin B. Wagner, who is prosecuting the case, KARELOV in his plea of guilty admitted that in May 2006, he was issued a temporary visa to work and study in the United States, and that before leaving Russia he was recruited by co-defendant ALEKSEY CHUGAEV, 25, to participate in the scheme to defraud U.S. businesses. After arriving in the United States and settling in Baltimore, Maryland, KARELOV communicated with CHUGAEV through email, ICQ chat rooms, and cell phone. CHUGAEV used stolen identities and credit information to make Internet purchases of laptop computers, jewelry, gift cards, travelers checks, and other items from U.S. businesses, and to have them shipped to various addresses in the Baltimore area controlled by KARELOV. Pursuant to instructions from CHUGAEV, KARELOV then repackaged the items and sent them to addresses in Russia controlled by CHUGAEV. KARELOV also opened bank accounts into which he deposited cash obtained from debit cards purchased with stolen identities, and facilitated the transfer of such funds to CHUGAEV in Russia. KARELOV knew that CHUGAEV was also working with other participants in the scheme who were located in the United States. In his plea agreement, KARELOV admitted to causing between \$200,000 and \$400,000 in losses to U.S. victims.

Sentencing is scheduled for December 3, 2007. KARELOV faces a maximum sentence of five years in prison, although pursuant to federal sentencing guidelines and the plea agreement filed today, it is expected that KARELOV will be sentenced to more than two years in prison. KARELOV will also be ordered to pay restitution, and has agreed to forfeit \$11,050 in cash that was seized at the time of his arrest. He will be deported to Russia following service of his

sentence. However, the actual sentence will be determined at the discretion of the court after consideration of the Federal Sentencing Guidelines, which take into account a number of variables, and any applicable statutory sentencing factors.

A lesser defendant, RADIK NIZAMOV, 22, also a Russian citizen who was living in Baltimore, was sentenced on August 27, 2007, in connection with his role in the conspiracy. He was sentenced to seven months in prison, to be followed by 36 months of supervised release. He is likely to be deported to Russia following his sentence. Defendant CHUGAEV is a fugitive, believed to be in Russia.

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